

# Nine Left Parties to Launch Movement in West Bengal

Nine left and democratic parties of West Bengal have again united after three months to launch joint movement on certain immediate demands. In this respect Com. Nihar Mukherjee (SUC), Jyoti Basu (CPM), Makhan Pal (RSP), Jyoti Bhattacharyya (Worker's Party), Sudhin Kumar (RCPI), Suhrid Mullick Chowdhury (MFB), Ashok Ghosh (FB), Biman Mitra (SP) and Rabi Dutta (BBC) have issued a statement.

In the said statement it has been demanded that the ration quota both in statutory and in modified rationing area must be increased, gratuitous relief to a section of the rural people must be ensured, essential articles like, kerosene, mustard oil, coal, sugar and clothes must be sold at fair price, food articles and other essential commodities must be dehoarded and the same must be distributed among the people, profiteers, hoarders and blackmarketeers must be given exemplary punishment, all black acts like DIR, MISA etc. are to be withdrawn and all political prisoners must be released immediately.

On the basis of these demands, the leaders of the nine leftist parties have appealed to the people to develop mighty movement and presented a programme of movement which includes mass meetings, rallies, mass squattings, demonstrations, civil disobedience etc. in Calcutta and also in different district and subdivisional head-quarters. Bangla Bandh on 19th November will also be organised and the people have been asked to participate in a massive way to force the Congress Government to change its anti-people, pro-blackmarketeer, pro-hoarder and pro-monopolist policies and to concede to these immediate demands of the people.

## DISRUPTIVE GAME BY CPI

In this connection people must be aware of the attempt of the CPI to create confusion in the mind of the people and also to disrupt the left movement. When the nine left

and democratic parties are attempting to build up massive movement against the anti-people policies of the Congress Government,

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## Nihar Mukherjee's Statement on the Food Policy of the West Bengal Govt.

Com. Nihar Mukherjee, Secretary, West Bengal State Committee of the Socialist Unity Centre of India in the course of a statement on 22nd October, on the declared procurement policy of the Government of West Bengal, has said that "The much trumpeted and publicised procurement policy of the Government of West Bengal has at last come out. It has vividly and clearly demonstrated that the Congress Government is out to protect and perpetuate the interests of the Jotedars, capitalists and the black-marketeers and the Congress party is the tool in the hands of this anti-people class. The West Bengal Government has given practically unrestricted power to the jotedars, rice mill-owners and speculators of the rice trade to procure and hoard the paddy and rice and has thrown the people at the mercy of the black traders. We strongly condemn the anti-people food policy of the Congress Government and call upon the people to stand unitedly and fight back this anti-people policy of the Congress Government and compel the Government to introduce all out state trading in food which alone can save the people from catastrophe."

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## Central Committee Statement on West Asia

The Central Committee of the Socialist Unity Centre of India issued a statement on 19. 10. 73 during the war in West Asia and another statement on 22. 10. 73 after the acceptance of the Soviet U. S. proposal of cease fire at the Security Council. Both these statements are given below :—  
Ed. PE.

### 19th October

The Central Committee of the Socialist Unity Centre of India in its statement on 19th October 73' on the present Arab-Israel conflict has, inter alia stated :—

"The Central Committee strongly condemns the U. S. arms supply to Israel in its war of aggression against the Arab countries, and firmly holds the view that the U. S. backed continuous Israeli aggression and the U. S. imperialist policy of intrigues in the Middle East are solely responsible for the present flare-up.

"The Central Committee extends its full sympathy for and firm support to the Arab people in their just struggle against Israel to liberate their territories from Israeli occupation, and urges upon all the Arab countries to firmly unite against Israeli aggression and U. S. imperialist or any other foreign intrigue and interference.

"The Central Committee is of firm opinion that the declarations of the Soviet Union regarding its support to the Arab nations are not sufficient to meet the situation. So, the Central Committee urges upon the Soviet Union that if it really

means what it says about its support to the cause of the Arab people, then it must take immediately all necessary steps to stop U. S. arms supply to Israel.

"The Central Committee demands that Israel should immediately withdraw all its troops from all occupied areas and accept the pre-1967 line as the basis for peace negotiations.

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### 22nd October

The Central Committee of the Socialist Unity Centre of India, in course of a statement to the Press on 22nd October, on the joint US-Soviet resolution on "on-the-spot cease fire" in West Asia, inter alia, stated that,

"The Central Committee expresses its strong indignation over the US-Soviet interference and intrigues in the Arab Israeli conflict and particularly condemns the revisionist leadership of the Soviet Union for backstabbing the cause of the Arab people."

It further stated that, "it seems, Egypt had to accept under pressure from the Soviet revisionist leadership a cease-fire which is most humiliating and also detri-

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# Grim Economic Situation —A Review

A few days back, Mrs Indira Gandhi, tried in vain to assure the people that the economic condition of the country would improve within next six months. This is nothing new. Since independence, the Congress, the party representing the aggregate interest of monopoly capitalism in our country has been in the power and the people have often been given similar type of false assurances. The more the economic condition in the country deteriorates the more the ruling Congress leaders tries to befool the people with false assurances of a rosy picture of the future.

The ruling capitalist class in our country launched various five year plans with much publicity and fanfare. The very purpose of the plans have been to strengthen and consolidate the capitalist economy of our country. But it is a matter of shame that the big left parties extended support to these capitalist plannings of the Congress Government. But these attempts to consolidate and strengthen capitalism in our country have been made at a time when the world capitalist economy has been suffering from crises due to acute instability in capitalist market. After the second world war the capitalist market lost even the relative stability it enjoyed before. The tendency of deterioration, decay and stagnation in capitalism has become more and more pronounced as a world wide phenomenon. Crisis has become more frequent. Even heavy doses of artificial stimulation in the form of more and more increased militarisation of the economy is rather intensifying the crisis. In such a state of affairs it is next to impossible even to keep existing industries running with full installed capacities let alone achieving faster economic growth and rise in industrial productions.

Mrs. Indira Gandhi after she came to power tried to confuse the people with many so called radical promises, raised catchy slogans like 'Garibi Hatao' and in the name of bringing in socialism in the country adopted certain measures like nationalisation and others which were glorified by both the CPI and CPI(M) as progres-

sive and forward measures. In fact Mrs. Gandhi and her party representing the interest of aggregate capitalism in our country are attempting to implement the steps which the bourgeoisie of any country trying to develop their economy would endeavour in the present era. The private monopoly capital is being merged with state capital, giving birth to state monopoly capital making thereby the state subservient to the interests of the monopolists and thereby creating the rock bottom foundation of fascism in our economy. All these attempts are being made only to consolidate the capitalist economy and thereby free it from the impending crisis.

Though these attempts at times provided temporary respite for a short period but ultimately these palliatives lead to a far bigger crisis in the economy. For it is obvious that in the present era of crisis of world capitalism, capitalist economy with the law of maximum profit operative can not develop in an uninterrupted way and consolidate its position making it free from crisis.

Now if any one liked to review the situation prevailing in our country, he will find that the present situation in our country is alarming. Run away inflation, sky-rocketing of prices of all essential commodities, fall in real wages of the workers, huge unemployment problem, black marketing, hoarding, pressure of direct and indirect taxation etc. are making the life of the common man intolerable and the people are groaning under the Congress rule. People can

well understand the state of economy of our country from their daily experience and even there is official admission of the bleak economic condition of the country.

Let us review some of the aspects of our present economy and in this regard we would like to depend on the reports and statistical facts and figures furnished by reports of different economic surveys and the bulletins published by the Reserve Bank of India. This is not due to the fact that we have special likings for these reports but because of the fact that in that eventuality none would be able to blame us for presenting distorted facts and figures cooked up with the sole intention of maligning the government.

## Situation in the industrial field.

In the industrial field deep seated crisis is being more and more revealed. The production in this field faced with the recessionary forces, non-utilisation of the installed capacities of the different industries, disparity in regional distribution of new industrial licenses and other concomitant evils of the capitalist economy is being greatly hampered.

In regard to capacity utilisation of different industries the picture is no doubt gloomy. For some years past in most of the industries the production output have been far below the installed capacities. Recently though a slight improvement has been observed in regard to capacity utilisation in case of certain industries like textiles rubber and chemicals, but still in most of the major industries a deteriorating picture is being revealed. The percentage of capacity utilisation in the case of industrial machinery fell from 75 percent in 1971 to 58.5 percent in 1972. In instrument industry it fell from 93.5 percent to 63.4 percent, in paper industry

from 92.00 percent to 61.3 percent, in heavy engineering industries from 106.1 percent to 94.6 percent and in light electrical industries from 111.6 percent to 93.4 percent. The over all average capacity utilisation ratio for 16 major industrial sectors stood lower at 68.8 percent in 1972 against 70.8 percent in 1971. It follows obviously that apart from certain improvements in textiles, chemical and rubber industries (in these industries slight improvement though observed in capacity utilisation compared to those of previous year, but still the production line is far below the installed capacity) the trend would have been one of stagnation. Among the other industries, in ceramic industry the utilisation of capacity was lower from 65.9 percent to 16.7 percent only. The light medium heavy structural, cranes and tea processing machinery showed no improvement. In wagon industry also, though there is an export market, substantial capacity remains idle.

[The data regarding capacity utilisation of different industries though have been supplied by the Union Ministry of industrial Development, a word of caution is necessary in considering the same as representing a correct picture of the reality and there is every apprehension that the real figures might be lower. For in a number of cases the capacity has been assessed on the basis of two or three shifts of working. In some industries the evaluation may be even on a single shift basis]

Any one with an objective outlook would be aware of the spectre of recession haunting the industrial field. The figure showing the number of industrial licences including those for establishing new undertakings will fail to reveal the correct picture of the reality. For it is often happening that while new

## SPECTRE OF INDUSTRIAL RECESSION

industrial concerns are established many old concerns are getting down permanently closed. One estimate once indicated that on the last 31st March 1971, 3000 industrial establishments were permanently closed down.

The position of industrial production is no doubt alarming. A review of the industrial production for the period from 1961 to '70 reveals that while the rate of growth of industrial production in the first quinquennium ('61-'65) had been 10.8 percent, in the second quinquennium (66-70) it dropped to 3.8 percent only. In 1971 it still came down, the estimated growth rate being 2 percent. As regards industrial production in 1973-'74 apprehension has already been expressed from official quarters. It has already been stated that the growth of output of cotton textile would be slowed down this year. The prospect of serious power shortage along with others hangs like a dark cloud over the growth of industrial production this year. Apart from this the decline in agricultural production that is being already revealed would have adverse effect on growth of agriculture based industries.

Even a layman is conversant with the fact that the growth of capitalist economy is basically dependent on the availability of its market. More there is market for its growth more it will expand. In the present era world capitalist system is suffering from an acute crisis of market. In regard to market the Indian capitalism is again suffering from a twofold crisis. While it is facing an extreme difficult situation in foreign market in its aim to compete with the advanced capitalist countries, its internal market is gradually becoming more and more limited, because of further decline in the already low purchasing power of the people in

general and of the landless labourers, share croppers, poor and middle peasants, in particular who constitute 77 percent of the total population in our country.

The position of foreign trade is also not promising. The rather poor export performance of the sectors as engineering goods in 1972-73 has become a matter of serious concern to the official. The situation would be more uncertain in view of developments like Britain's entry into ECC and crises of international monetary system.

In the absence of home market due to abnormally low purchasing powers of the people, as well as very limited and unsteady foreign market, the government being controlled by monopolists and run to protect their aggregate class interests, resorts to artificial stimulation of the otherwise sagging economy, by providing the industries with an increased demand for military goods. This pervert method of artificially stimulating the declining capitalist economy has become an universal practice in all the bourgeois countries after the 2nd world war. Our bourgeois rulers are also depending more and more heavily on military consumption to keep the wheel of industry moving and as a result every year a huge unproductive expenditure is incurred in the budget on defence expense. In 1969, out of total expenditure of Rs. 4980 crores in the budget, Rs. 1100 crores were allotted for defence expenditure which amounted to 22.0 percent of the total budgetary outlay. This year the defence expenditure which stands now to Rs. 1729 crores, is more than 22.5 percent of the total budgetary outlay.

Mrs Indira Gandhi often proclaims that her Government would curb the monopoly. But in reality the picture is just the opposite. In the rule of the so-called progressive section, of the

Congress(R) headed by Mrs Gandhi who often pledges to bring socialism in the country, the monopoly houses are living in paradise.

More and more these tycoons are flourishing and thereby establishing firm grip over our economy. Apart from other things this is also mostly responsible for the economy of the country reaching its present stage.

We have already drawn the attention of our readers in our former issues on the report of the monopoly commission stating a large increase (30 p.c. rise in assets) of assets of ten big monopoly houses of the country. More over Mrs. Gandhi's government paid no heed to the recommendation of the Dutta Committee that the monopoly houses should not be allowed to expand their empire and by issuing large number of licences with large monetary involvements in their favour allowed them to further consolidate and concentrate their economic power and establish strong grip over the country's economy.

### Situation in the agricultural field

The situation in the agricultural field is perhaps worse than that in the industrial field.

The crisis in the field of agricultural production is more acute and the recent spiralling rise in prices of food materials throughout the whole country is no doubt has a relation with the fall in production of food materials, though the recent abnormal increase in prices is due to the hoarding and price manipulation by the jotedar, monopolists etc in league with police and the administration.

Now before entering into discussion on the actual state of affairs in the field of agricultural production we would like to make it clear that though production of agricultural commodities is being gradually worsened

widening the gap between the target and the actual production but still it should be borne in mind that the increase in production alone would not improve the situation. While not disagreeing with the idea that chronic shortage of goods is apt to raise their prices we would like to make it unambiguously clear that in a society like that of ours where the law of maximum profit is operating, it is not necessarily true that increased production reduces the prices of articles. But even leaving aside this question of usual increase in prices due to the law of maximum profit operating, the hoarders, speculators, black marketeers and monopolists can corner goods, create artificial scarcity in the market, raise their prices through manipulation and fleece the people to earn maximum profit. Without a proper distribution system, increased production alone cannot check rise in prices. Be that as it may, for sometimes past, the production in the agricultural field is in the decline and the anti-social elements like black marketeers, hoarders, speculators etc are being allowed to play their nefarious game. Even a layman can now understand the reasons for the spiralling rise in prices of goods especially the food materials.

In the existing capitalist system particularly in the present phase of the third general crisis of world capitalist economy, the ruling bourgeoisie of our country could not modernise agriculture on the basis of big mechanised land farming. Radical land reforms could not be done. Facilities of perennial irrigation could not be guaranteed. Even after twenty five years since independence, agricultural output is mostly dependent on the vagaries of nature.

According to official figures, the production of food grains declined to 104.6 million tonnes in 1971-72.

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## On The CPI(M)—SP Agreement in Delhi

The leaders of the SP and the CPI(M) came to an agreement after prolonged discussion from 18th to 20th September last and issued a joint communique to the press.

The leaders of both the parties while talking in a press conference, explained that they would ardently endeavour to build up an anti-Congress Left Front both within and outside the Parliament and call for a countrywide bandh to register protest against abnormal rise in prices, unemployment and corruption. These leaders added that they would solicit help from different leftist parties and groups in different states to make this bandh a success.

The leaders of both the parties brushed aside the question of the participation of the CPI in the proposed front. According to them if the CPI wants to participate in the proposed front, this party must quit from the Coalition Ministry in Kerala, must come out from the PDA in West Bengal and sever all ties with the Congress. The strong anti-CPI stand of the SP is well known. But what is the present attitude of the CPI(M) towards the CPI? In the previous issue of the Proletarian Era it was shown how the CPI(M) was gradually moving towards the CPI. The way the CPI(M) disrupted the unity of the eight left parties centering on the issue of the CPI's call of Bangla Bandh on 27th July last, in order to come close to the CPI, gave lie to the anti-CPI postures of the CPI(M) in the CPI(M)—SP parley.

Be that as it may, let us examine the proposal of the left front in the communique of these two parties. There can not be any two opinion about the necessity of building up of a united front of all left and democratic parties and forces as an only instrument alternative to Congress to conduct united mass movement and united mass struggle and the SUC has been striving to develop the same for a pretty long time.

If the CPI (M) and the SP were really eager and sincere in developing a united front of all the left and democratic parties and forces in the national plane as an alternative to the Congress, these parties should have tried to develop unity on the basis of a agreed common minimum programme of all the left and democratic forces through discussion among the different parties. We are not opposed to bilateral discussions among parties for developing united movement. But we like to state that any attempt to build up united front and any programme of united movement must be taken in joint meeting of different left democratic parties. But the leaders of these two parties did not do that. Instead of joint discussion among different parties for building up united front on a agreed common minimum programme, the CPI(M) and the SP came to an agreement between themselves and decided the issues of the united movement and after settlement of these vital issues, they asked the support of other parties in the united movement. These two parties even took such an important decision like the countrywide general strike and declared it in joint communique without feeling the necessity of assessing the viewpoints of other left democratic parties in this respect. The people, under such a situation may genuinely feel that these two parties have either not attached much significance to this important issue like a country wide strike or it is a gimmick to gain ground in parliamentary politics. In the present stage of the left democratic movement in our country, without a united front of all the left and democratic parties no tangible and effective movement can be built up with the joint effort of the CPI(M) and the

SP only. So in the present phase of the development of the left democratic movement in our country, any party seriously concerned with the building up of a united mass movement must strive to build up a united front of all the left democratic parties and forces in the country. But the CPI(M) and the SP instead of attempting to build up a broad based united front on the basis of a agreed common minimum programme through discussion among the different parties in a joint meeting, adopted certain bilateral decisions on united movement and even on the programmes of the united movement, published them in press through joint communique and then solicited help from other parties in these movements. Does the behaviour not testify that the CPI(M) and the SP have scant regard for any democratic norms? Will not this practice of prior bilateral agreement on the united movement and the attitude of asking support of other parties in the movement priorly decided by them objectively stand in the way of the development of the united front of the left democratic parties, the only instrument urgently needed as an alternative to the

Congress for conducting united mass movement and united mass struggle under the present situation?

This stand of the CPI(M) is however consistent with the recent Central Committee decision of the CPI(M), in which the CPI(M) brushed aside the question of the formation of the united front of different left democratic parties as unpracticable in the present situation and by advocating joint struggle on specific issues, the CPI(M), in reality backstabbed the very process of the formation of the united front of all the left democratic forces—the only instrument, alternative to the Congress under the present phase of the development of the left democratic movement for conducting united mass struggle. So there is no valid reason for the people to rejoice at the agreement between the CPI(M) and the SP.

We appeal to all left democratic forces to feel the gravity of the situation, a situation where the formation of the united front on agreed common minimum programmes, as an alternative to the Congress is of vital importance. So it is earnestly expected that these parties must rise to the occasion, shun all petty consideration and come forward with seriousness and sincerity to build up this united front.

### Massive Demonstration In Arrah

Bhojpur, Arrah, 1th October: To-day a massive procession was organised here under the auspices of the SUCI, Kishan O Khetihar Mazdoor Sangh and D.O. The procession started from the Arrah Railway station campus and was led by Comrade Nawal Kishore Choudhury, Dr P. N. Tomar, R. K. Verma and Bishnu Prasad. The procession marched through the main roads of the town and ultimately reached the DM's office.

A delegation consisting of Com. S. N. Mishra, Shiva Raman Singh, N K Choudhury, P. N. Singh Tomar and Com Shaukat Ali met the DM and handed over a memorandum to him.

A public meeting was also held under the presidentship of Comrade N K Choudhury. Those who spoke were, among others Com. Shaukat

Ali, K K Pandey, P. N. Tomar, R. K. Verma, A. Gupta and others.

The main demand was release of all political prisoners, control of high prices, construction of roads under the hard manual labour scheme and provision of alternative homestead plots and loans to those persons who are affected by the erosion of the river Ganges.



## Nine Parties To Launch Movement

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on one hand, the Congress is threatening to crush that movement and on the other the CPI, the partner of the Congress in the PDA is attempting to confuse the people and disrupt the left movement by its so-called convergent movement directed not against the Congress and its Government but against the hoarders and blackmarketeers only. There would not have been anything to object if the CPI, inspite of its present discovery of progressiveness within the Congress, participates in the broader left democratic movement, even if partially against the Congress Government or against any policy of the Congress Government. But the broader left democratic movement cannot have any connection with the heinous attempt of the CPI to misdirect the united left democratic movement against the Congress Government and its anti-people policies.

The programme of cease-work on 17th November adopted by the central trade unions like the BPTUC controlled by the CPI, BPNTUC controlled by the Congress etc is also aimed at misdirecting the discontent of the people against the Congress Government and also to frustrate 'Bangla Bandh' on 19th November next called by the leftist trade unions. People must have no difficulty in understanding this nefarious game of the BPTUC controlled by the CPI and the BPNTUC controlled by the Congress and it is expected that people must come forward with necessary organisational preparation to make the united movement a success by defeating all opportunistic and disruptive politics.

### Sidhartha Ray's Threat

Sri Sidhartha Sankar Roy, the Congress Chief Minister of West Bengal, has reacted sharply after the release of

the statement of the nine leftist parties and threaten to crush the movement. According to him this movement of the leftist parties will stand in the way of procurement. But this is not at all true. Firstly, the procurement starts from the last week of November. And secondly who wants to create obstruction in procurement? Who obstructed the procurement of the Congress Government during the last 26 years of the Congress rule? Sri Roy and many of the leaders of the ruling Congress have admitted that the blackmarketeers, hoarders and profiteers have frustrated the procurement of the Government and these leaders have times without number assured to take drastic action against these anti-social elements. But no action against them has yet

been taken and under the Congress rule the anti-social activities thrive. But now with the ulterior motive of creating confusion among the people, the Congress Government is trying to make the left democratic movement responsible for its utter failure in the food front.

Anyone who is slightly aware of the functioning of democracy, must know that the fundamental right to conduct movement in a democratic way (which includes general strike also) against any of the policy of the Government is the basis of democracy. But Sri Sidhartha Sankar Ray has threatened to crush the democratic movement of the nine leftist parties. It is nothing unnatural as Sri Ray and his party, the Congress understand democracy in that way.

## Cachar Convention For United Movement

The six left parties—the SUC, CPM, PDP, RCP, RSP and the SP have united with a programme of building up movement throughout the state of Assam to resist spiralling rise in prices and the acute food crisis, created by the anti-people policies of the Congress Government.

The six left parties are organising meetings, rallies, mass deputations, squatting etc., and are making hectic preparations to organise people's committees in different districts.

On 29th September last, in order to make the programme of the statewide movement a success, a leftist convention was organised at Hailakandi Town hall, in the district of Cachar under the auspices of the parties like the SUC, CPM, SP etc. The convention was conducted by a presidium comprising of Com Bijit Bhattacharyya, a prominent leader and a professor of the Hailakandi College, Haridas Deb and Abdul Khalek Choudhury.

Com. Ahin Ghose of the SUC appealed to the people of Assam to organise conven-

tions in different localities, gherao of different Government offices, bandhs, continuous bandhs and so on to create effective pressure on the Government.

Among those delegates who addressed the convention, were Prof. Com Radhakanto Tanti, a prominent labour leader and a member of the district committee of the SUC, Com Mohanlal Mohali organiser of UTUC (Lenin Sarani), Com Ajmir Ali, an organiser of Krishak O Khet Mazdoor Federation, etc who made an appeal to make the movement broader and broader.

After the convention, a mass meeting, presided over by Com Haridas Deb was held and Comrade Ahin Ghose addressed the meeting.

## C C Statement

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"The Central Committee calls upon the peace loving people throughout the world and particularly the people of U. S. A. who are fighting for peace against the Nixon administration to mobilise public opinion against the U.S. arms aid to Israel and its policy of imperialist intrigues and continuous interference in the Middle East.

"The Central Committee demands that the Government of India should openly and in clear terms condemn the U.S. arms supply to Israel and take the initiative to mobilise the Third world in the support of the Arabs in their struggle.

"The Central Committee calls upon all sections of people in our country to organise massive protest demonstrations to register their strong indignation against the U. S. arms supply to Israel and against the U.S. imperialist policy of continuous intrigues and interference."

### Demonstration Before USIS In Calcutta

Calcutta, 20th Oct : The Calcutta district Committee of the DSO and DYO organised a demonstration to-day before the USIS, in Calcutta to protest against the US backed Israeli aggression against the Arab countries.

Com Bhaskar Gupta of DSO, Com Gopal Kanjilal, of DYO addressed the gatherings of the students and the youth. Com Abdur Rouf, on behalf of the Komsomal, an organisation of the young communists of the SUCI, also addressed the gathering.

Prior to the demonstration, a meeting was held at Subodh Mallick Square under the presidentship of Comrade Chaya Mukherjee, the Secretary of the West Bengal State Committee of the DSO.

# AGRICULTURAL PRODUCTION IN DOLDRUM

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As per the last budget, food production in the year 1972 has registered a further decline of 1.7 per cent. Not only that. Many of the contemplated targets in agricultural field are not likely to be achieved at the end of '73-'74. Food materials are likely to show a shortfall of 40 per cent of the additional production envisaged over the output in 1968-'69. In case of oil seeds the short fall is apprehended to be 27 per cent, in cotton 52 per cent, in jute 40 per cent and in groundnut 100 per cent. The strain on the economy created from such set backs to food-grains and oil seeds production following failure of production of the crops, coarse grains in 1971-72 and kharif crops in 1972-73 has to a certain extent manifested in the rise of commodity prices.

The sharp deterioration of economic condition is being strongly revealed from the steep rise in prices of all materials, especially the food materials. We have already stated that the rise in production cannot alone check soaring rise in prices of commodities. For, instances are there where the rise in production could not check the price rise. The production of sugar was 31.12 lakh tonnes in 1971-72. In 1972-73 the production figure was 36.00 lakh tonnes. But despite greater production the price of sugar is continuously rising on the contrary. It is quite obvious even to a layman that in a capitalist system the fall in production would largely cause spiralling rise in prices of essential commodities. Thanks to the fall in production coupled with hoarding of goods and price manipulation by the hoarders, blackmarketeers, speculators and monopolists who often create artificial scarcity in market for raising the prices and the Congress Government's policy of un-

bridled deficit financing, imposing heavy burden of indirect taxation on essential commodities, pro-monopolist credit policy and refusal to confiscate the huge amount of black money rolling in the market through the hands of the monopolists, the prices of all essential materials are rising by leaps and bounds.

In case of major food grains, like rice and wheat, the failure on the part of the Government to procure them up to the target also provided unbridled scope to the hoarders, blackmarketeers and traders for hoarding them in large quantities. The prices of several commodities have attained new peak in the recent months. In June this year the wholesale commodity price index at 237.6 was higher by 20.1 per cent over a year ago, while the corresponding rise in June 1972 was only by 6.8 per cent. Of the present rise in prices of different commodities, the increase in food prices was by 23.5 per cent as against only 10.6 per cent noticed in the last year. So far the retail prices are concerned a recent estimate placed by the Reserve Bank of India indicates that during the last twelve months (Aug 1972-July 1973) average retail price has increased by 19.9 per cent. The survey recently conducted by the Indian Council of consumer products reveals that during the last one year average retail price has recorded a rise of 35 per cent. In fact the prices of all essential daily necessities are rising by leaps and bounds and no statistical data is perhaps required to prove the same.

## Inflation and black money

The continual inflationary spiral of rising costs and prices has become a matter of grave concern for the economy of the country. The runaway inflation of prices of essential com-

modities, raw materials, inputs and capital goods are causing unbearable hardship to the people, increase in project costs and erosion of financial resources and along with the other factors likewise created in a capitalist economy are directly and indirectly aiding the dislocation of production and reduction of production targets.

We have recorded a continual Price-rise during the Fourth Plan period. It has risen sharply and continually during 1972-73 and 1973-74. The prices of essential consumer goods have recorded a rise of over 52 per cent in a year.

This is primarily due to vast increase in money supply. The Government has not introduced any discipline within itself. A pledge to limit deficit financing has been broken. Money supply, mainly of currency notes, is huge. A glimpse into the article "Recent monetary measures" published in the May 1973 issue of the Reserve Bank Bulletin would glaringly reveal the position of the real picture. It has been stated there "on the demand side there has been a rapid expansion in monetary resources. Money supply has gone up by 15.4 per cent over the year ended June 1, 1973, in continuation of an increase of about 14 per cent over the year ended June 2, 1972.

"On the supply side there have been production losses, particularly in the agricultural sector. National income in real terms is estimated to have risen by perhaps not more than 1.5 to 2.0 per cent during the financial year 1972-73. Over the year ended May 26, 1973 the index number of wholesale prices has gone up by 19.8 per cent. Over the corresponding period ended May 25, 1972, prices rose by about 6 per cent. An important element in the price situation is that the prices of food articles have shown a sharp rise over the year."

Though in a capitalist economy like that of ours, it is impossible to free it from the impact of growing inflation but still the tide of inflation could have been checked to a certain extent by adopting certain measures like effecting significant cut in the non-developmental expenditure, and last but not least, by reducing deficit financing, both in terms of budgetary gaps and net bank credit to the minimum if not completely eliminated. In this connection it might not be out of place to mention that the net bank credit to the Government which was expansionary in 1970-71 continues to be an expansionary factor, presently of a larger magnitude.

Another important factor that is creating a growing harmful effect on the economy is the growing accumulation of black money. In fact it might not be much unrealistic if from the consistent huge growth of black money in the hands of black marketeers, speculators hoarders etc, one observes that in parallel to the economy a black money economy termed as 'black economy' is being run in the country. None would be able to deny the matter that black money economy tends to grow larger and larger making the Reserve Bank of India look funny and sterile.

According to the report submitted by the Wanchoo Committee the amount of black money accumulated in 1968-69 was Rs. 7,000 crores. We earlier observed on the said report in our former issues and suggested certain measures including demonetisation to check the growth of black money that is eating into the very vitals of the economy of the country leading to more and more sufferings and miseries of common men. But no step has yet been taken for achieving the said objective. In fact the

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# Inflation and Black Money Creating Havoc In Economy

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Government is perhaps unwilling to take any action against the tycoons and is there by allowing black money to operate freely in the economy.

## Wage, Poverty and Unemployment.

In any developing economy it is generally expected that with the growth of the economy in different fields, the real wage of the workers would increase, gradually the poverty would diminish and more and more there would be employment opportunities. All these would stipulate increase in purchasing power of the people which on its part would naturally stimulate the internal market and thereby ultimately help further development of the country's economy. In our country, where all the signs of decline of capitalist economy are being gradually revealed the situation is just the reverse.

Any man conversant with our economy would observe a gradual fall in the real wage of the workers, a sharp increase in the number of unemployed people and a galloping rise in the number of people both rural and urban living below the poverty line. For obvious reasons, the purchasing power of the people is becoming lower and lower creating a deteriorating effect in the internal market.

It is often said that wage rise is the cause of price rise as if it is the main factor behind inflation. We know that this is nothing but a plea in support of wage cut for aiding the industrialist and monopolists.

In our country, wages and salaries account for mere 6 percent of the net domestic product; the share has been falling and not rising. In contrast the wages and salaries account for the three-fourths of the total national income in U.K.

A recent study undertaken by Dr. A. Palekar would help us to have a glance of the real picture. In our country, according to Dr. Palekar, where an overwhelming majority of industrial workers earn below a subsistence wage, the industrial workers earning less than Rs. 200 per month (who constitute the major bulk of the labour force) in 1969 in India as a whole were about 5 percent below the subsistence level. In states like Bihar, Orissa, Punjab, U.P., they were as much as 25 to 37 percent below the subsistence level. So far as living wage is concerned, this group of workers as a whole was about 43 percent below this level. Even in a single state these workers did not receive a living wage in 1969. Again, so far as the real wage is concerned, during the second and third Plan periods the index of real wage stood about 5 percent below the 1955 level.

Further studies also revealed that the average wage costs have either been static or perhaps declined.

In 1947 the wage costs in major industries constituted 18.56 percent of the total cost; this dropped to 14.9 percent in 1967; at present it is about 14 percent.

Another study has revealed that over the last 10 years the gross profits have increased by 14 percent per annum whereas salaries and wages have grown by 11.6 percent. Any one, comparing this growth of salaries and wages over a period of 10 years with the rise of retail price index by 35 percent in the last one year only, while keeping in mind the observation of Dr Palekar that the major bulk of the labour force in our country were already below the subsistence level, would be able to follow the plight of industrial workers in our sharply deteriorating economy.

It is often alleged that as our workers are comparatively less efficient than the

workers of the developed countries our labour productivity is low. No doubt our labour productivity is not very high and fullscale utilisation of labour power and increase in productivity are not possible in a capitalist economy. But still it should be borne in mind that our illfed and low-wage workers are no less efficient than the workers of other countries. For even in spite of many hardles and problems facing our workers the labour productivity has often shown upward trend. Between 1949 and 1964 value added by manufacturing worker in constant price had risen from Rs. 1929.1 to Rs. 3315.8 an increase of about 180.2 percent. If wages of foreign and indigenous labours are considered, our workers are showing more efficiency than that of workers in advanced capitalist countries.

Now let us see the fate of Mrs. Indira Gandhi's slogan of 'Garibi Hatao' stated to have been raised to eradicate poverty and usher in a flourishing economy in our country. It has been stated that the task of eradicating poverty has become more formidable than it was in the past. The rise in real income for a period of 8 years from 1960-61 to 1968-69 was only 26 percent and that in per capita terms was only 4.5 percent.

In the beginning of five year plan India's per capita income at current prices was 266.5 and by 1967-68 this rose to Rs 542.3 at current prices which at 1948-49 prices works out to approximately Rs. 323.3 per annum. This shows that over the three plan periods the per capita income has remained low.

According to an estimate, over 220 million people, i. e., more than 2/5th of the total population are living below the poverty line with another 40 percent people, say another 200 to 220 million people, being on the

poverty level. The extent of pauperisation of the people—the root cause of the extreme contraction of the internal market of the country can be grasped.

An extensive study made by Aandrkav and Rath has shown that at current prices the private consumer's expenditure increased from Rs. 11,998 crores in 1960-61 to Rs. 25,740 crores in 1968-69 though in real terms at 1960-61 price level the increase was to the extent of Rs. 15,046 crores only. Considering in terms of per capita consumption at 1960-61 price level it increased from Rs. 276.3 in '60-'61 to 285.5 in '68-'69 which can be considered to be very negligible and marginal; there is only 4.8 percent increase in eight years or only 0.6 percent increase per annum. Again the available data show that the upper middle and the richer section contributing the top 20 to 30 percent of the population have been the beneficiaries of this marginal increase of per capita consumer expenditure and in case of lower middle and poorer section constituting 70 to 80 percent of our population, the per capita consumer expenditure has declined and particularly in case of the poorer section this has considerably declined accounting for between 15 to 20 percent.

The situation in rural areas for obvious reasons is more alarming. The available data show that most of the states with high percentage of rural labour like Andhra Pradesh, Assam, Kerala, Maharashtra, Orissa and West Bengal have comparatively large proportion of population living below the poverty line. In regard to per capita consumption the extent of percentage of rural population below poverty level in '60-'61 was between 50 to 90 percent in Andhra, Kerala, Maharashtra and

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# CAPITALIST STATE MACHINE MUST BE SMASHED

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Tamilnadu, between 35 to 50 per cent in Bihar, Assam, Orissa and West Bengal. This shows that instead of getting benefits out of our developing(?) economy the rural people have been the major sufferers.

Thanks to our economy the number of landless casual labourers in rural areas who are living much below the poverty line and can get meagre employment as best for 3 to 4 months in a year and earns Rs. 1.50 to 1.80 per day are increasing in all the states. In Andhra the increase has been from 28.6 to 37.4 percent in Tamil nadu 18.6 to 29.1 percent, in West Bengal 15.3 to 25.7 percent and in Uttar Pradesh 11.3 to 19.35 percent. Bihar where at present 38 percent of the rural working force constitute landless labourers against 23 per cent in 1961, tops all the states in this respect.

Let us now review the problem of employment facing country's economy. The gradual deterioration of the economy of our country is glaringly revealed through the acute problem of unemployment which as days are passing on is taking a colossal shape. It has been our experience that with the completion of each five year plan the number of unemployed persons has increased in place of showing any downward trend.

It goes without saying that the persons registered with the employment exchange do not give a correct picture as a huge number of employment seekers living in rural and semi rural areas have not the opportunity to register their names with the employment exchanges.

Again according to the Reserve Bank of India the backlog of unemployed persons at the end of the third plan was 96 lakhs, which has gone up to 1 crore and 26

lakhs at the end of the three plans. A large number of the above mentioned persons are educated holding even post graduate and engineering degrees.

As regards persons holding engineering degrees and diplomas in 1968, out of the existing 3 lakhs and 32 thousands only 56 thousands and 700 persons got employment. According to the estimate the anticipated number of engineering degree and diploma holders in 1973 would be about 4 lakhs 85 thousands against which estimated demand on the basis of income and investment projections made in the fourth plan is placed at 3 lakhs and 84 thousands. If in reality all of them are absorbed then still there will remain 1 lakh, 1 thousand i.e. about 21 percent of the total number of unemployed engineers at the end of the fourth plan.

## Conclusion

So far we have tried to reveal a part of the picture of the economy of our country which since independence instead of undergoing a process of gradual development is actually showing the sign of gradual deterioration. This of course does not mean that uptill now the economy has never passed through any boom period.

At times it no doubt showed some improvements in certain sectors but they only provided a deteriorating downward economy with temporary respite in certain sectors but the over all picture is becoming more and more gloomy. Of course this is not at all unexpected. In the beginning of our present article we stated that in the present period of third general crisis of world capitalism, our economy being a capitalist one can not help but show all the signs of decline and deterioration. The capitalist economy in the country is

the basic cause for sluggish economic growth of our country. The development of the economy through a full utilisation of labour power and increase of productivity is impossible in a society based on an economy governed by the inherent law of maximum profit and where exploitation and social injustice are rampant.

Though some relative and temporary improvements are possible in some fields by taking certain measures and introducing certain palliatives, but the fundamental or basic problem can not be resolved within the existing capitalist structure of the economy. Certain measures if adopted can of course relatively check the rate of growth of inflation, the growing accumulation of the black money and the wholesale state trading if implemented can improve the situation of food to a certain extent. But we should not have any illusion that all these problems can be completely solved and thereby an uninterrupted growth of the economy within the existing socio-economic structure of the society is possible. In fact it is capitalism which is standing in the way of all out industrial revolution and acting as a break in the uninterrupted development of the economy.

Under such a situation unless capitalism is overthrown and the capitalist state machine is smashed by socialist revolution, the emancipation of the people of our country will not be possible. Those who are loudly talking about people's democratic revolution in our country, are in reality refusing to smash the existing capitalist state machine and so they are essentially acting as forces of compromise in between the labour and the capital and are dissipating the revolutionary energy of the country by wrong slogans and mis directed movements.

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## C.C. Statement

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mental to the interests of the Arab people. It is reported that Syria was not present in the Security Council meeting. Iraq and other Arab countries expressed their strong indignation over and disapproval of the Security Council resolution which was jointly imposed by the US imperialist and the revisionist leadership of the USSR in flagrant violation of all justice".

"If in this way the cease-fire is achieved, it will invariably put the Israeli aggressors in a better position," the statement added.

It further stated that, "the joint US-Soviet resolution is a clear testimony of the fact that the revisionist leadership of the Soviet Union, in collusion with the US imperialists, are engaged in keeping the West Asian tension alive as long as possible in furtherance of their policy of interference and intrigue.

"The Central Committee, therefore, urges upon all Arab nations and the peoples of all Arab countries to consolidate their unity further and stand on their own feet to foil the policy of interference and intrigue of both the US imperialists and the revisionist leadership of the USSR and to remain firm in their just struggle against Israel till their cause is realised."